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AN ARCHITECT'S DREAM: KEYS TO AN AGILE BUSINESS

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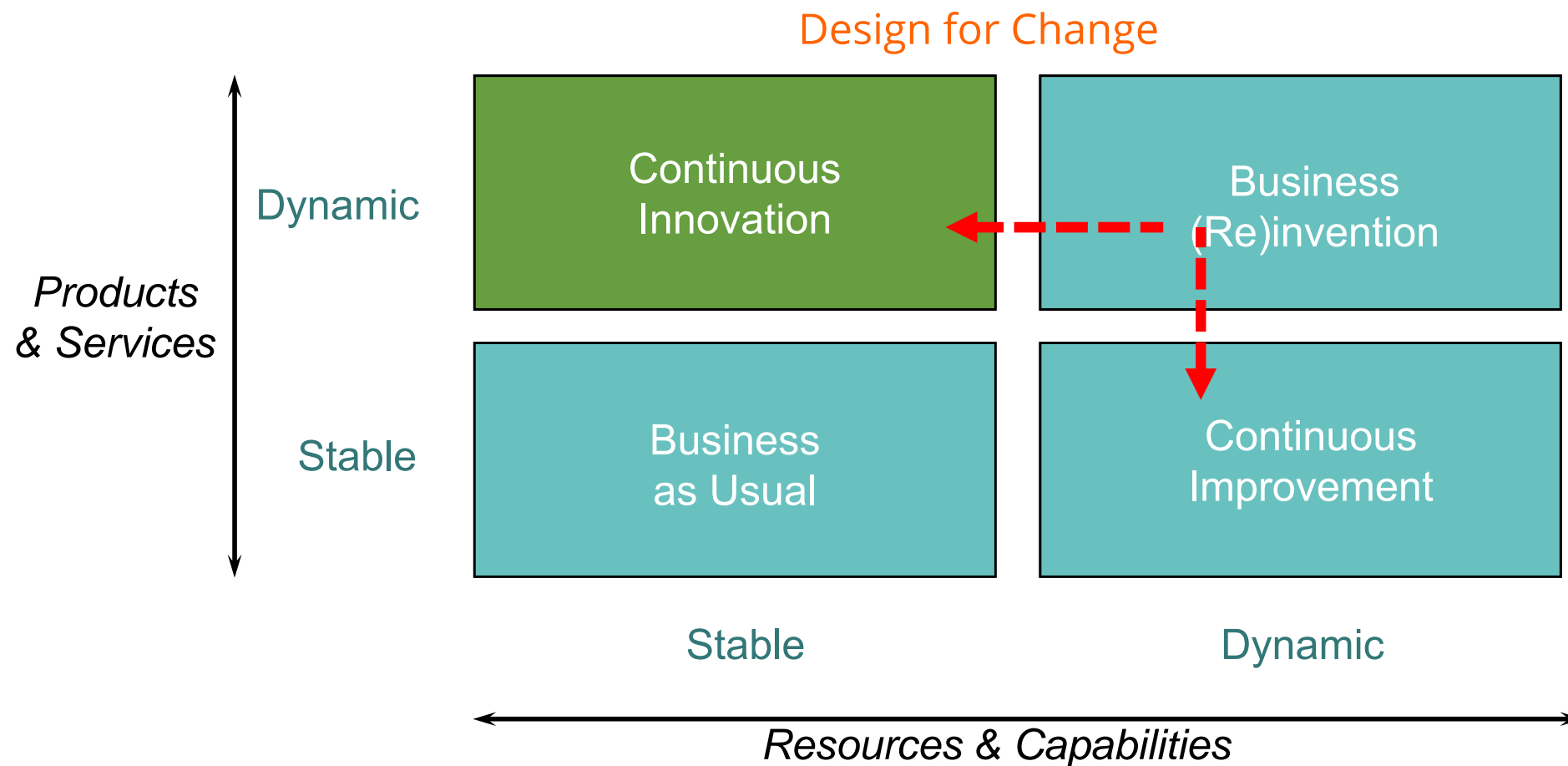www.processrenewal.com

OUR CONCERN AND MOTIVATION

Business Architecture Manifesto *

We are still focused on technology, machinery, techniques (e.g. lean, agile, capabilities), speed, software ... we are still writing code. We now have billions of lines of code.

- Is it flexible? No.
- Is it integrated? No.
- Is it reusable? No.
- Is it interoperable? No.
- Is it aligned with business strategies? No.
- Is it secure? No.
- Is it meeting expectations? No.

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* Ref: Burlton, Ross, Zachman .....

THE CHALLENGE HAS CHANGED

Design for Change

Products & Services

Dynamic | Continuous Innovation | Business (Re)invention

Stable | Business as Usual | Continuous Improvement

Stable | Dynamic

Resources & Capabilities

A NEW BUSINESS SCORECARD

Agility

Effectiveness

Quality

Efficiency

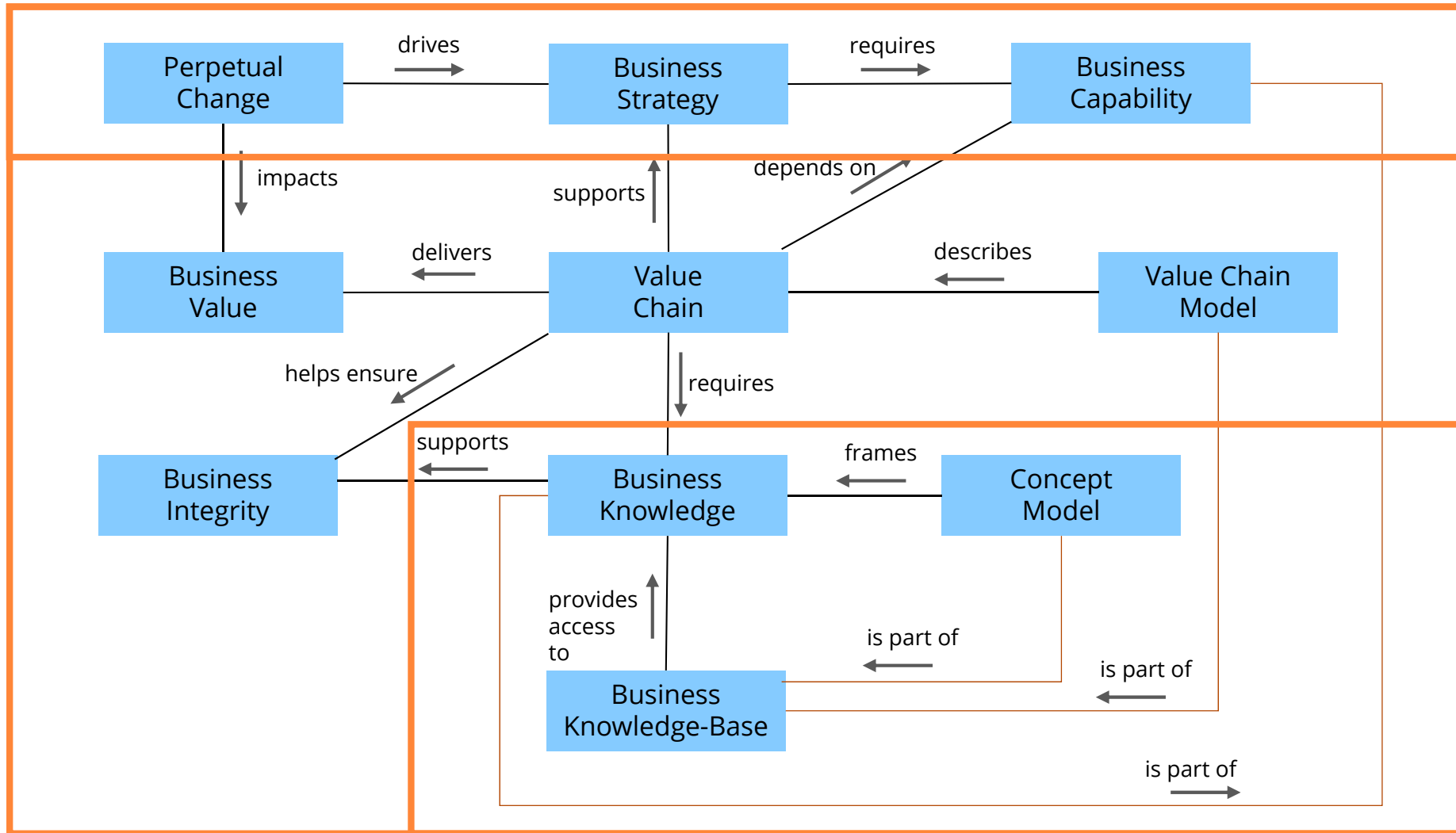PROCESS RENEWAL GROUP
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BUSINESS AGILITY MANIFESTO – GENERAL MANAGEMENT IMPERATIVES:

- Facilitate Business Change

- Create Value

- Implement Business Strategies

- Provide Security

- Assure Sustainability

- Manage Business Risk

- Encourage Appropriate Innovation or Control

- Enable Collaboration

- Optimize Resources

- Manage Knowledge

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BUSINESS AGILITY MANIFESTO – CORE CONCEPT DIAGRAM

Strategy Perspective

Value Perspective

Knowledge Perspective

Perpetual Change — drives → Business Strategy — requires → Business Capability

Perpetual Change — impacts → Business Value

Business Strategy — supports ↑

Value Chain — depends on → Business Capability

Value Chain — delivers → Business Value

Value Chain Model — describes → Value Chain

Value Chain — helps ensure → Business Integrity

Value Chain — requires → Business Knowledge

Business Knowledge — supports → Business Integrity

Concept Model — frames → Business Knowledge

Business Knowledge-Base — provides access to → Business Knowledge

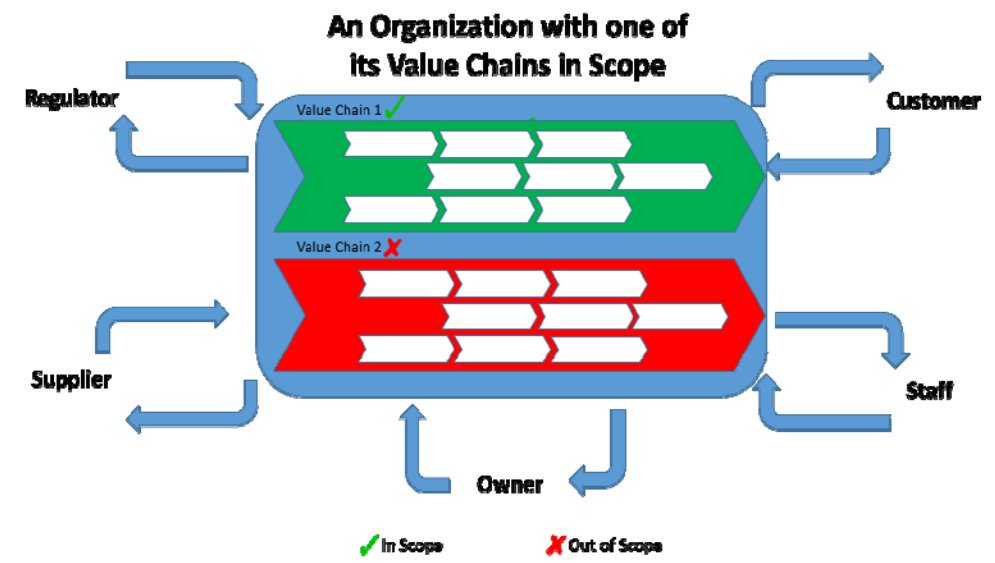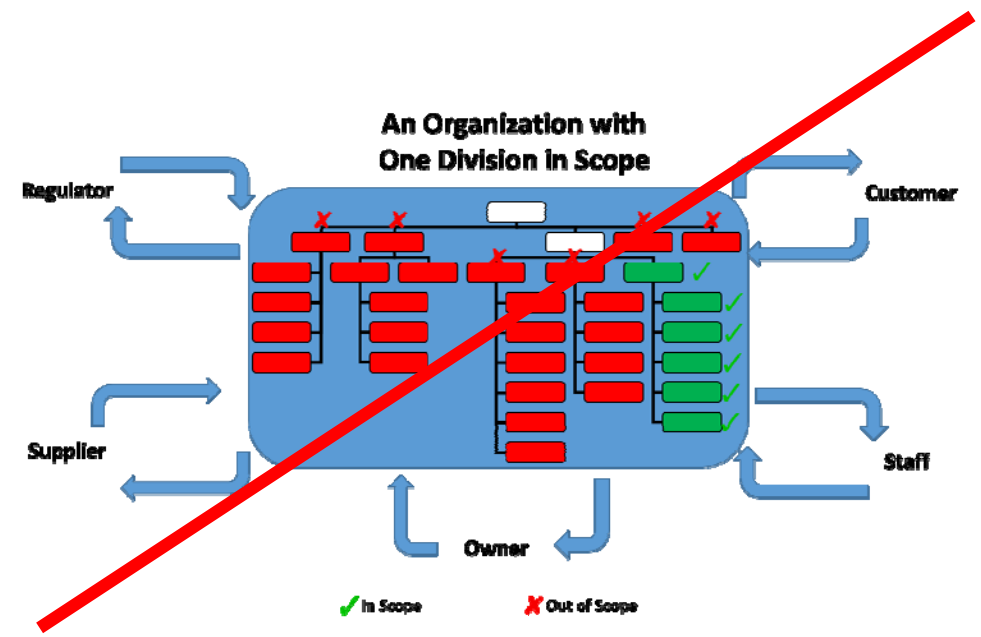Concept Model — is part of → Business Knowledge-Base

is part of

is part of

BUSINESS ARCHITECTURE *

The goal of Business Architecture is ultimately to identify non-redundant, reusable resources to be able to execute the business strategy.
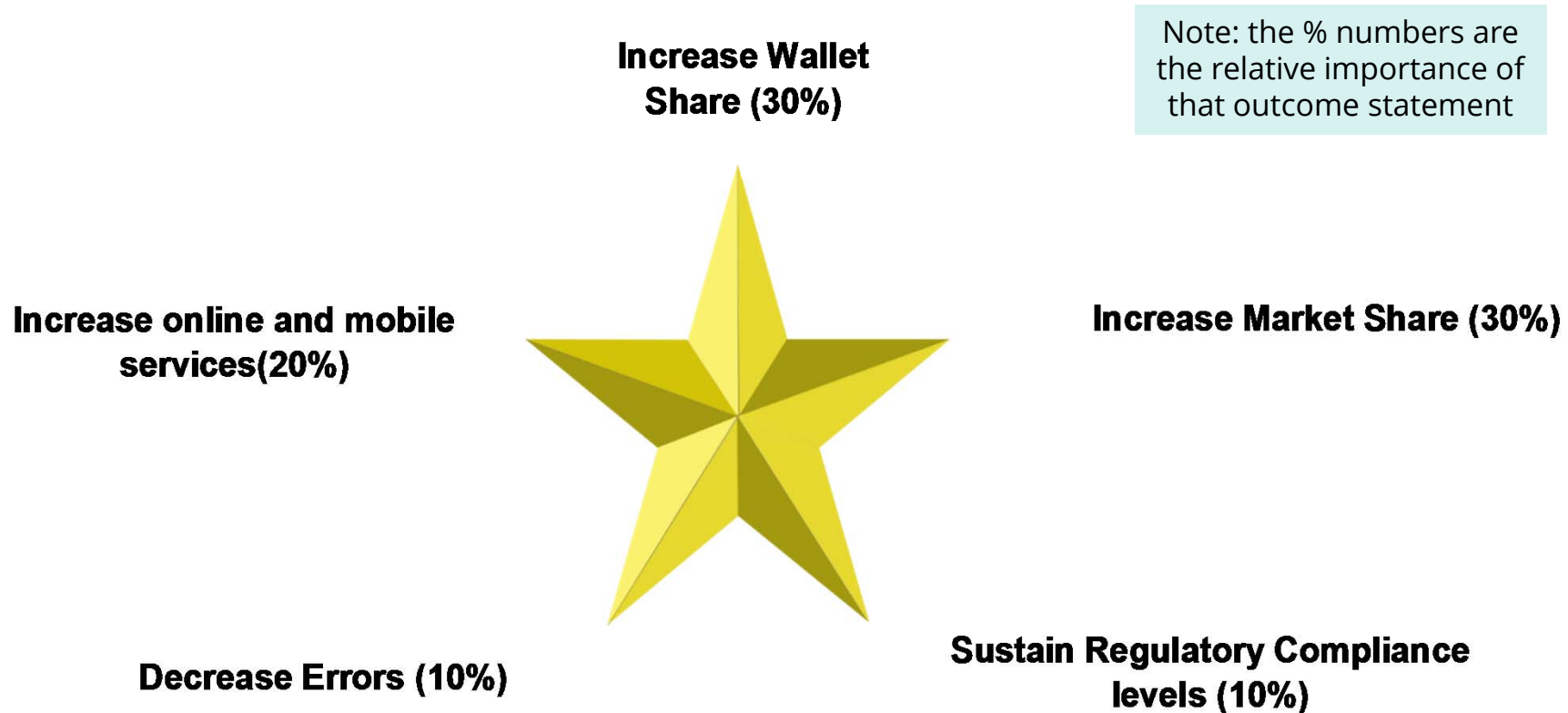
* According to Burlton, Ross, Zachman

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VALUE CHAIN ORIENTATION NOT ORGANIZATION STRUCTURE

An Organization with One Division in Scope

An Organization with one of its Value Chains in Scope

THE STRATEGIC OUTCOMES NORTH STAR GUIDES ALL DESIGN AND CHANGE DECISIONS

Increase Wallet Share (30%)

Note: the % numbers are the relative importance of that outcome statement

Increase online and mobile services(20%)

Increase Market Share (30%)

Decrease Errors (10%)

Sustain Regulatory Compliance levels (10%)

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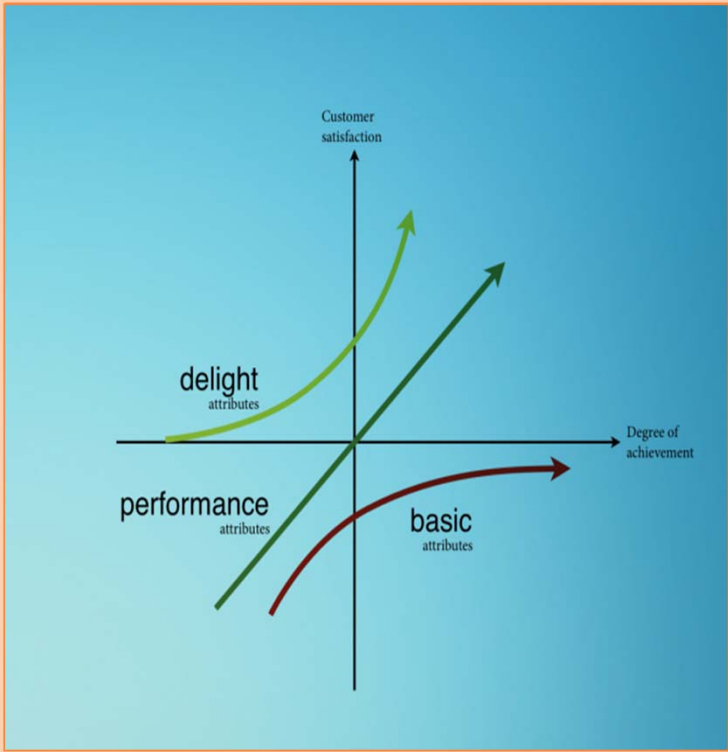
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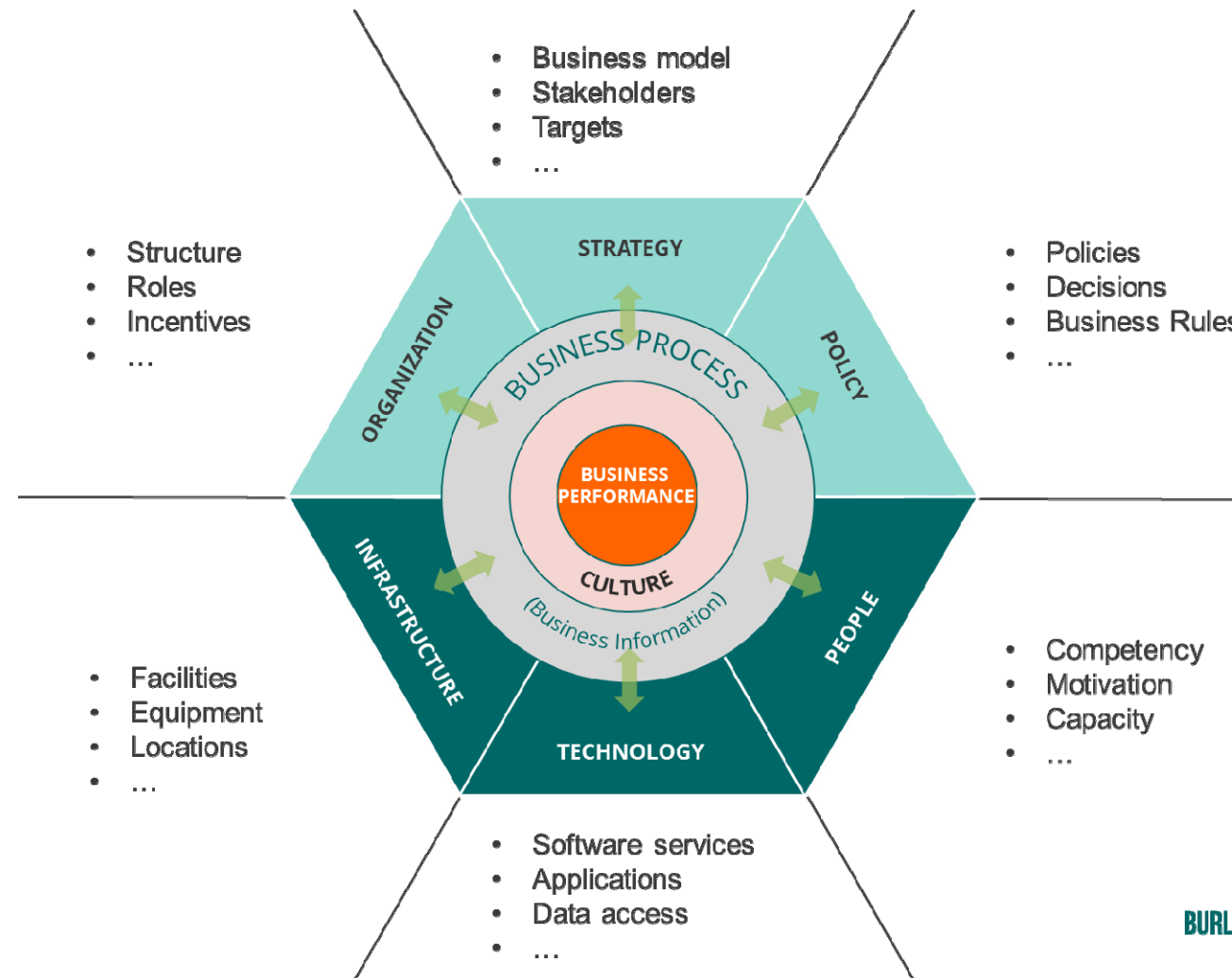# STAKEHOLDER VALUE: CONNECTING TO THE MARKETPLACE

Exchanges
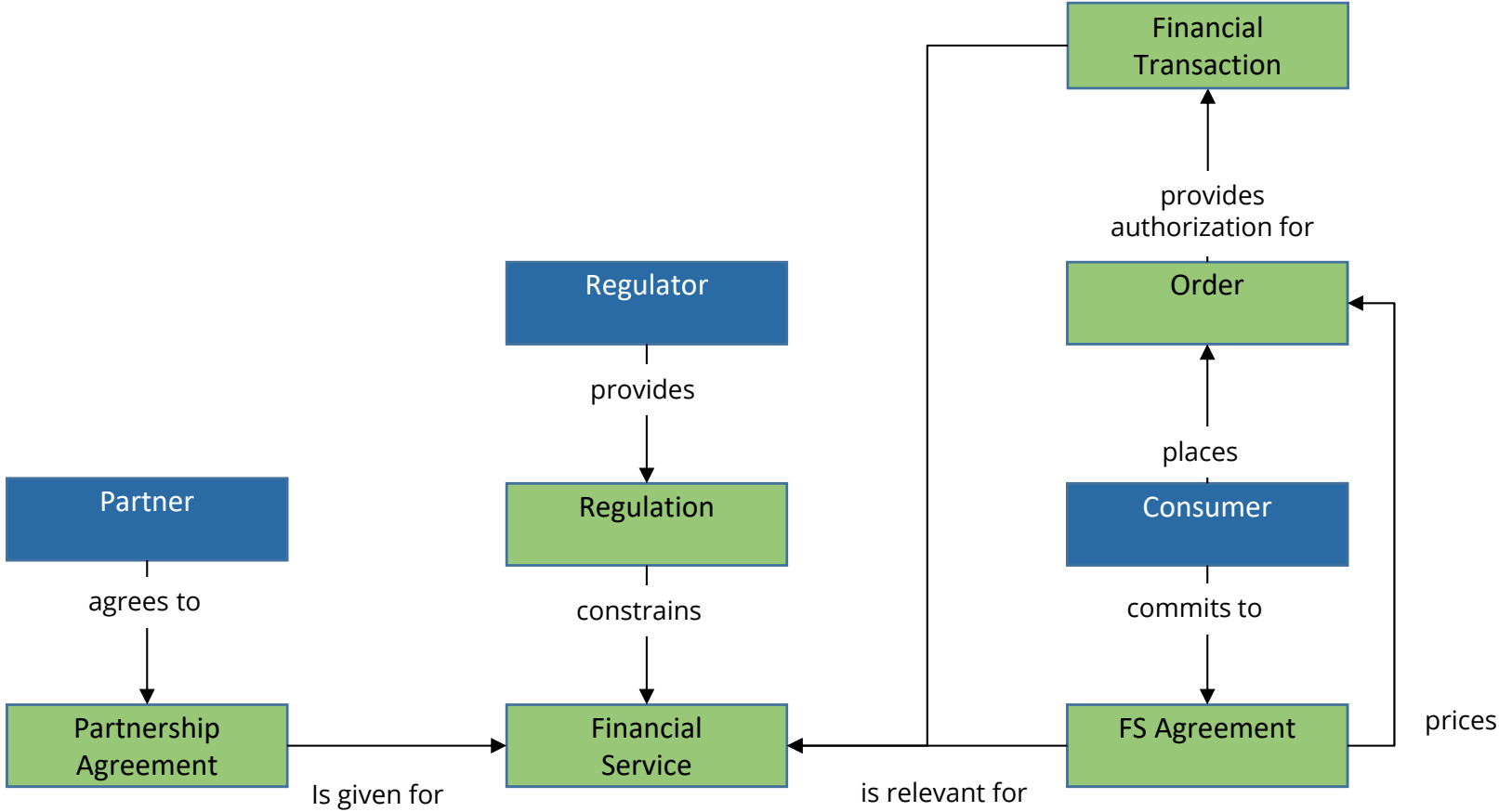
Expectations

Experience

BUSINESS ARCHITECTURE: ALIGNMENT FOR BUSINESS AGILITY

A Strategic Capability brings together a number of supporting resources to deliver intended value results

- Business model
- Stakeholders
- Targets
- …

- Structure
- Roles
- Incentives
- …

- Policies
- Decisions
- Business Rules
- …

- Facilities
- Equipment
- Locations
- …

- Competency
- Motivation
- Capacity
- …

- Software services
- Applications
- Data access
- …

STRATEGY

ORGANIZATION

POLICY

BUSINESS PROCESS

BUSINESS PERFORMANCE

INFRASTRUCTURE

CULTURE

(Business Information)

PEOPLE

TECHNOLOGY

BURLTON HEXAGON

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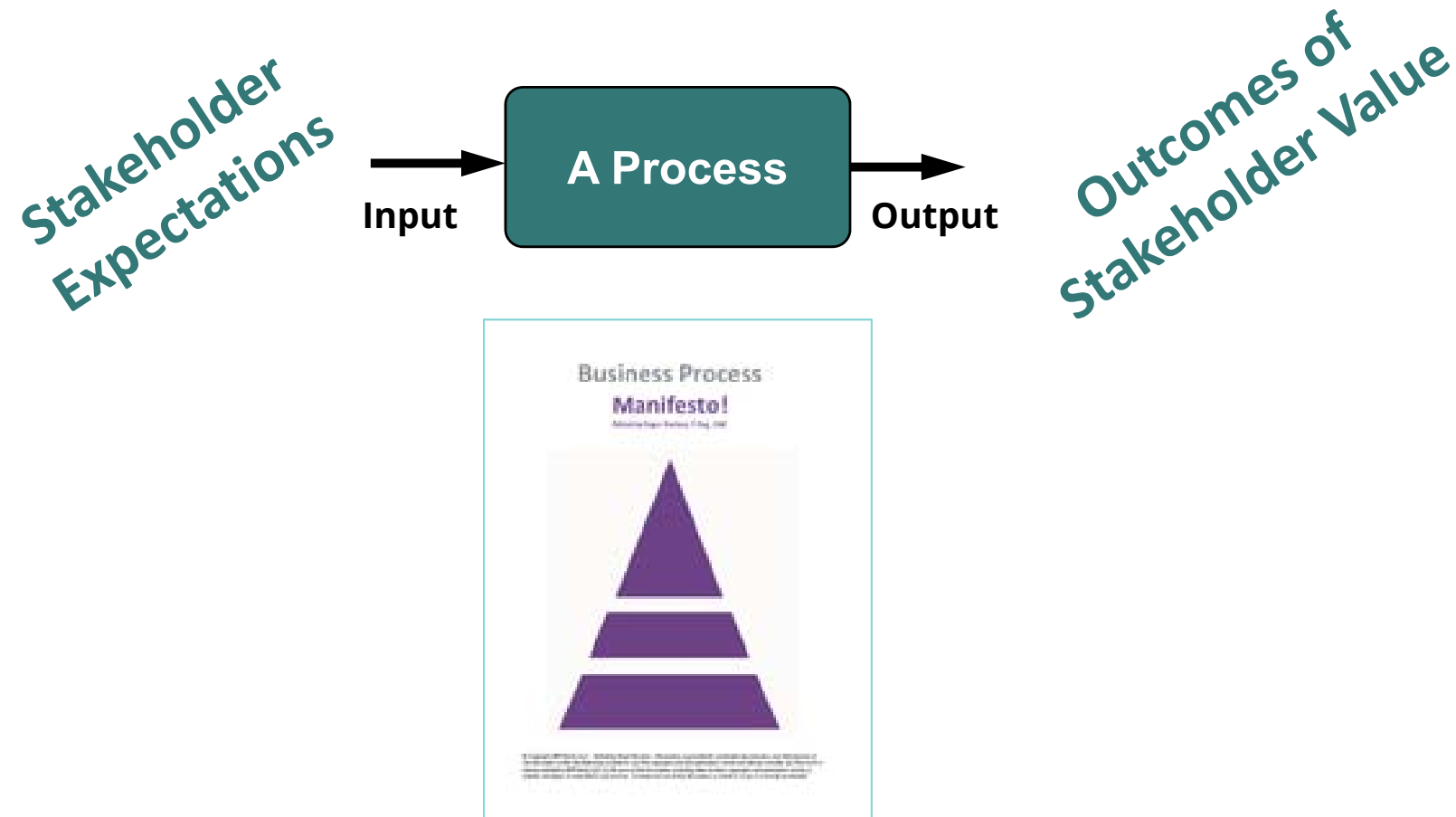www.processrenewal.com

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THE BUSINESS CONCEPT MODEL IS THE FOUNDATION FOR BUSINESS ARCHITECTURE AND AGILITY *

* Basis for Information, Processes, Capabilities, Rules, KPIs

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A BUSINESS PROCESS: ABOUT WORK THAT TRANSFORMS AND IS OF VALUE

Manifesto available in 14 languages including Russian

Stakeholder Expectations

Input → **A Process** → Output

Outcomes of Stakeholder Value

Business Process Manifesto!

English: * http://www.bptrends.com/bpmmanifesto.cfm

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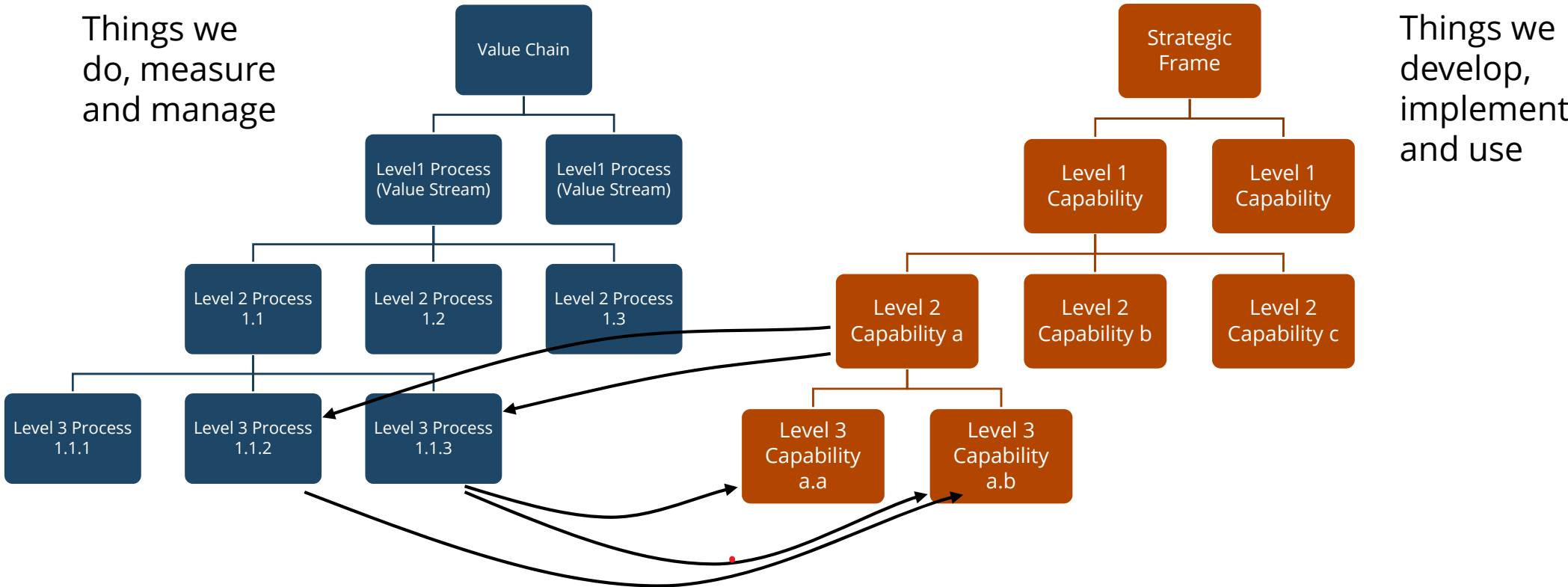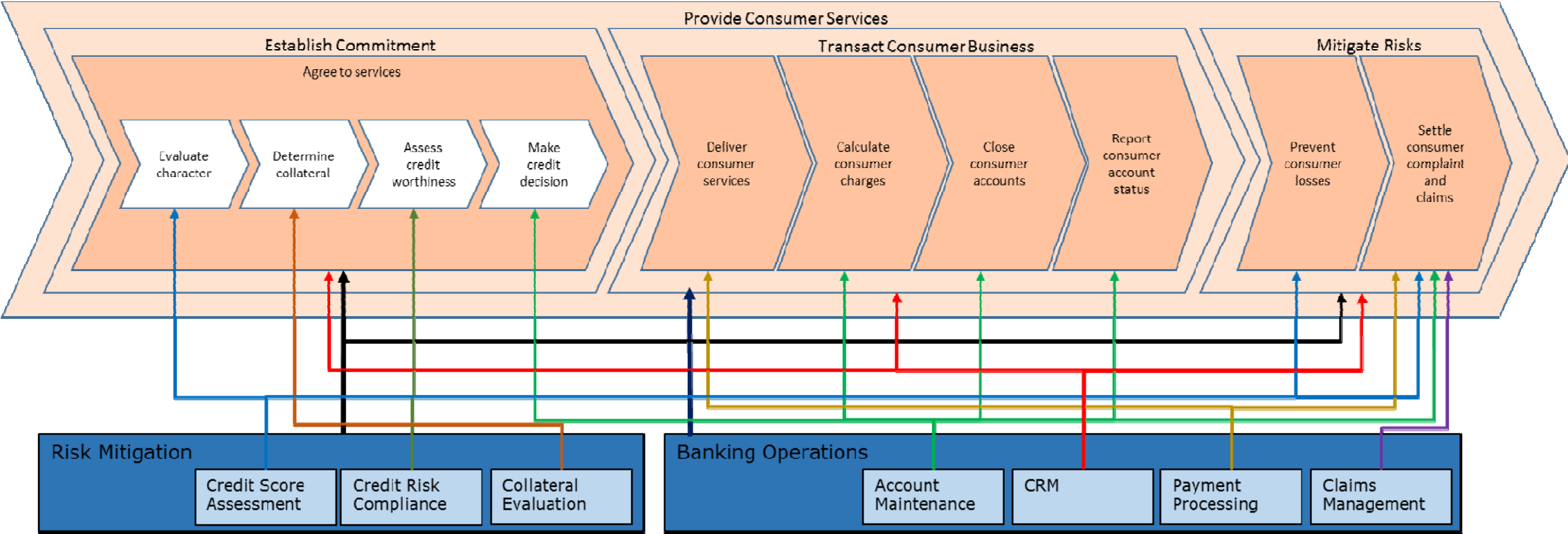
BUSINESS PROCESSES AND BUSINESS CAPABILITIES
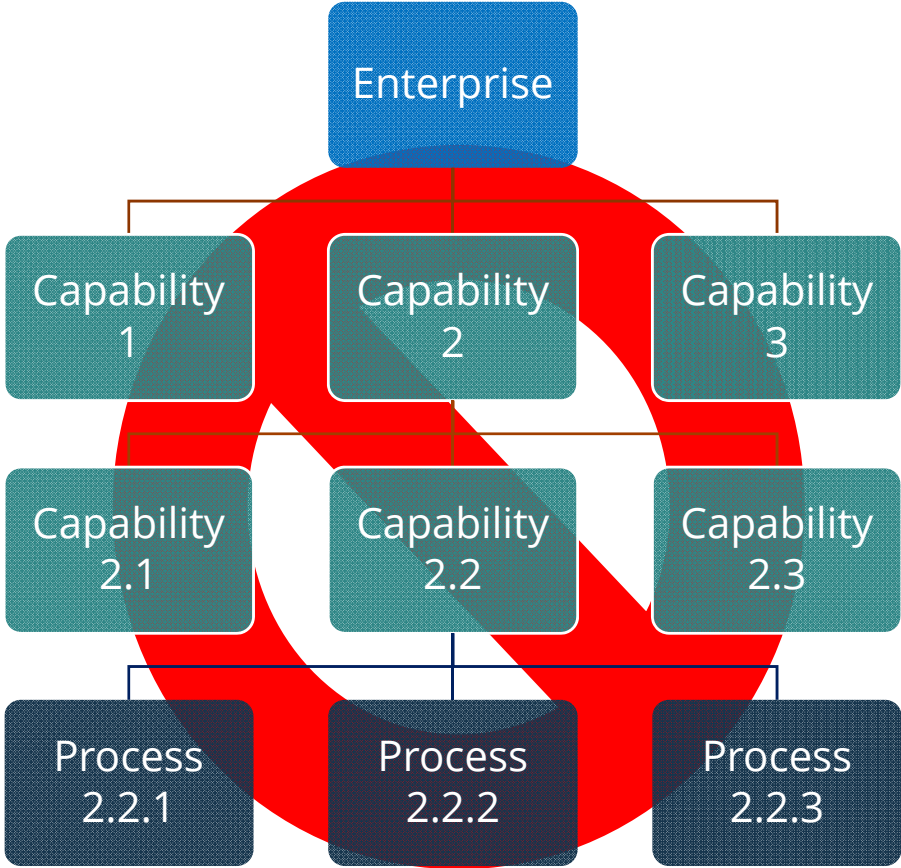
ASSOCIATIONS REQUIRE INTEGRITY ACROSS DOMAINS

Processes and Capabilities are related as many to many associations

Things we do, measure and manage

Things we develop, implement and use

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MANY TO MANY PROCESS TO CAPABILITY MAPPING
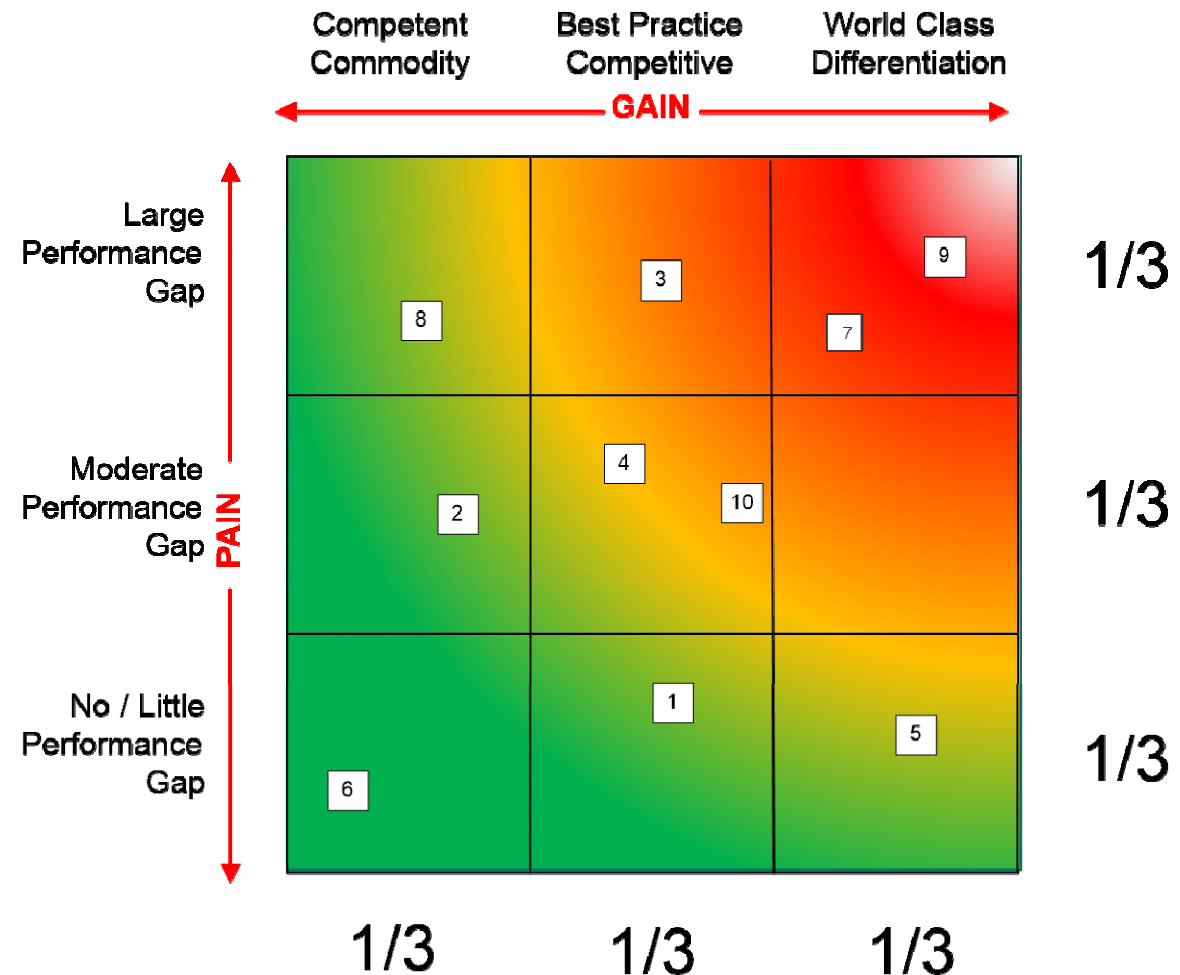
PRIORITIZE PROCESSES: PAIN-GAIN TRIAGE (NINE BLOCK)
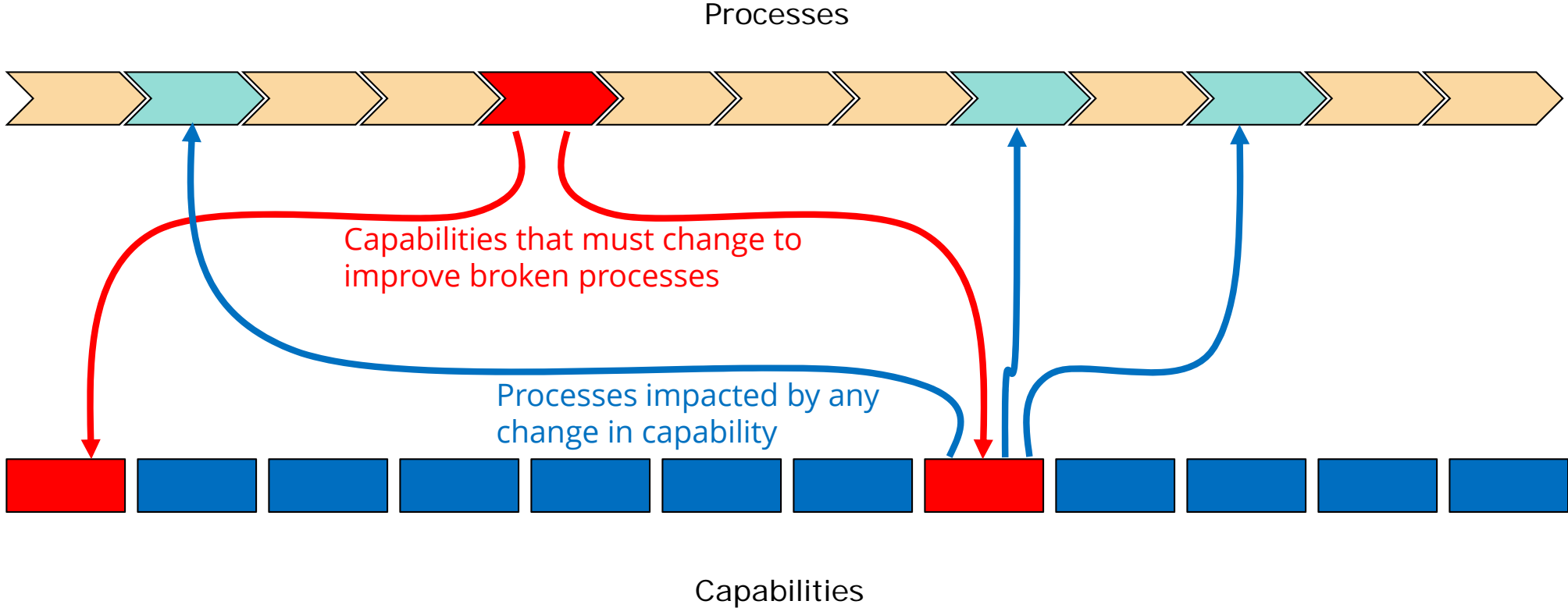
1. **Process Gain (left – right)**
   - World Class
   - Best Practice
   - Competent

2. **Process Pain (top – bottom)**
   - Bottom third (smallest gap)
   - Middle
   - Top (largest gap)

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FANNING OUT AND BACK

USE THE BURLTON HEXAGON TO HELP STRUCTURE YOUR CAPABILITY CHANGE PROGRAM

Cause of Performance and Plan for Transformation

- Business model
- Stakeholders
- Targets
- …

- Structure
- Roles
- Incentives
- …

- Policies
- Decisions
- Business Rules
- …

STRATEGY

ORGANIZATION

POLICY

BUSINESS PROCESS

BUSINESS PERFORMANCE

INFRASTRUCTURE

CULTURE
(Business Information)

PEOPLE

TECHNOLOGY

- Facilities
- Equipment
- Locations
- …

- Competency
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- Capacity
- …

- Software services
- Applications
- Data access
- …

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INTEGRITY OF BUSINESS KNOWLEDGE IS ESSENTIAL

External Drivers

Stakeholders needs and expectations

Business Strategy

Business Processes

Business Rules

Business Information

BUSINESS AGILITY

Business Performance

Business Capabilities

Business Resources

Business Culture

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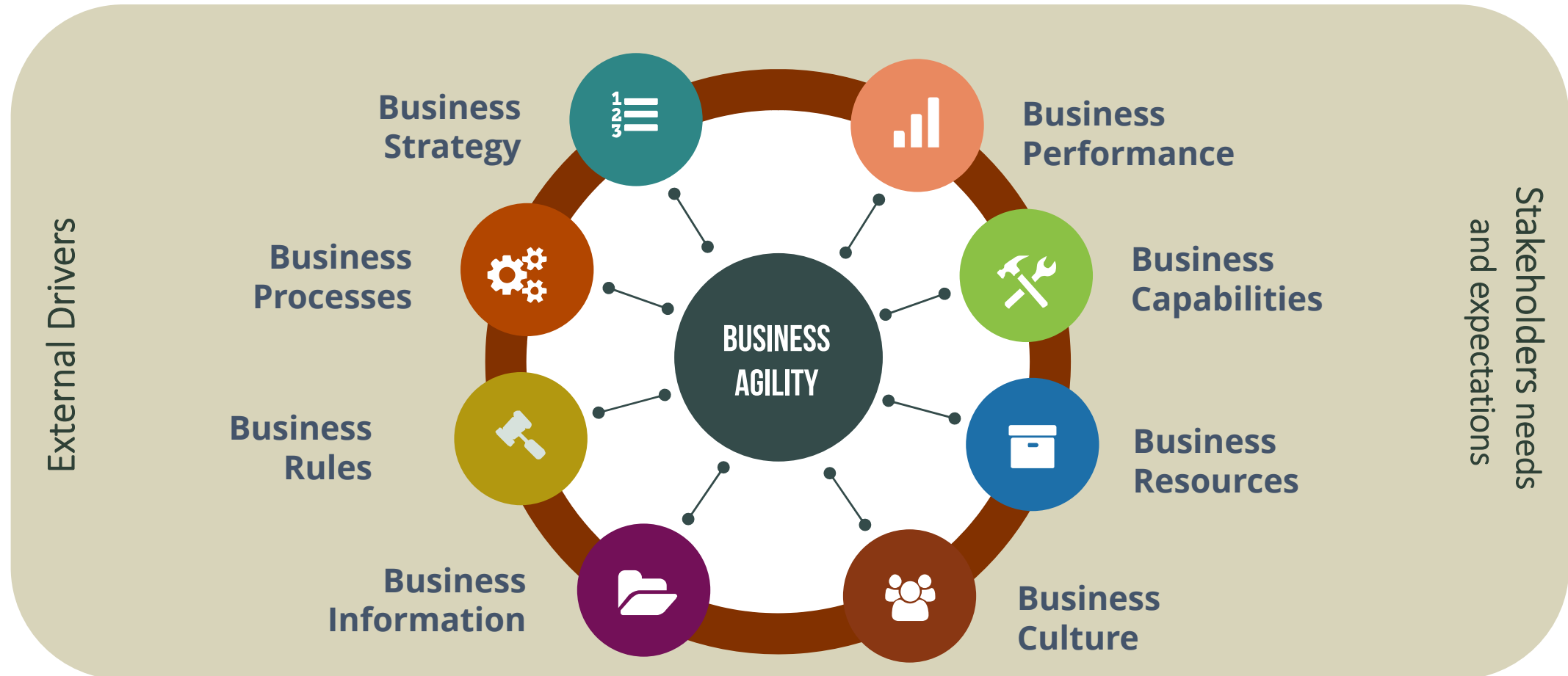
APPROACH TO BUILD AN AGILE BUSINESS ARCHITECTURE

Strategic Context		Business Design		Business Change		Business Operations	
Business Ecosystem	Strategic Framing	Business Capabilities	Business Performance	Change Priorities	Change Roadmap	End to End Management	Business Sustainability
Strategic Intent	Strategic Requirements	Business Processes	Business Information	Resource Requirements	Resource Transformation	Continuous Improvement	Business Results

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SOME REFERENCES

- Business Agility Manifesto
  - www.busagilitymanifesto.org
- Business Process Manifesto
  - www.bptrends.com/resources/bp-manifesto/
- Business Architecture series of articles
  - http://www.processrenewal.com/articles-resources/

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